



SALISBURY TOURISM AUTHORITY  
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SALISBURY TOURISM AND CULTURAL DEVELOPMENT COMMISSION  
Minutes  
February 15, 2010

The Salisbury Tourism and Cultural Development Commission met in the second floor conference room at 217 South Main Street. This meeting was posted on the doors of City Hall and on the City Web site under Special Meeting Notices.

**In attendance were:** Mr. Boris Bunich, Mr. Bill Burgin, Mr. Randy Hemann, Mr. Mark Lewis, Mr. James Meacham, Ms. Diana Moghrabi, Mr. Joe Morris, Ms. Krista Osterweil, Ms. Barbara Perry, Mr. Doug Paris, Ms. Michelle Patterson, Mr. David W. Redden, Karen Windate (public) and Councilman Paul Woodson

**Absent:** John Sofley

**WELCOME AND OPENING REMARKS**

Chairman Mark Lewis called the meeting to order at 4 p.m. Today's agenda and the minutes of January 7, 2010, were approved as submitted.

Handouts distributed; handouts included the collection report for December 2009 Occupancy Tax (\$18,734.60), Smith Anderson Bill Tracking Report for the week of August 12, 2009, NC Travel & Tourism Coalition information.

**Occupancy Tax Update**

Joe Morris made a treasurer's report in John Sofley's absence. One business owing the tax had yet to submit it. The total receipts for the first two months are \$41,243.20. Traditionally December is very slow for hotels.

The fiscal year will coincide with the City's – July 1 through June 30.

**Intermediate Financial Strategy**

Mark Lewis spoke to the following.

Recognizing that:

NC Session Law 2009-428

Establishes that:

- The revenue is received and administered by a Salisbury Tourism Development Authority (TDA).
- 2/3 of revenue must be used for marketing and promotions.

- 1/3 of revenue may be used tourism related expenditures including capital projects within the taxing jurisdiction. (Capital projects must be in Salisbury)

Mark Lewis opened the discussion of what to do with the money. The average monthly collection is about \$23,000 a month. We have a need to generate some fund balance; about three months of operating capital. This fiscal year (from November to June) we should try to keep 1/3 of the capital. Three months of operating reserve is about \$69, 000. If the collected amount for this term is \$184,000 and we take out the capital which is \$61,336 there would be \$53,664 to distribute. This is a conservative plan.

This Commission has a lot of strategic planning to do. STCDC needs to arrange partnerships with the Rowan TDA to see how best to deploy the money collected in relation to how we work together. “We first need to figure out who we are and what we want to be.”

James Meacham of the Rowan TDA stated that the money proposed for distribution could obviously go the marketing committee. The spring/summer promotions have already begun. There are ways to amplify things the Rowan TDA are already focusing on such as the transient interstate market billboard coverage, further extension of the AAA leisure travel, we could look at *Our State Magazine*, and things that can be tracked. Doing something that has not been done would be easier to track. Additionally, bid fees could be covered for sporting events. Rowan TDA will continue to push the overnight packages.

Boris Bunich would like to initiate things which STCDC would have some ability to measure the impact. Subsidizing gas cards and pizza cards for hotels is one way hoteliers can put that money toward the positive experience of their overnight guests. Such a program can be pushed through a Web site making it measureable and trackable, as well as targeted at the overnight guest.

Three members of the STCDC are members of the Rowan TDA. They will take ideas to their board and get some feedback from them and the County Commissioners on collaboration efforts. The Rowan TDA does have a strong, energetic marketing committee who are creative with their limited funds. Between now and June 30, STCDC will trust the Rowan TDA to utilize money in the best way for our community while STCDC works on their form, function, mission and strategy.

Randy Hemann said he would like to figure out what STCDC is going to be “before we figure how we are going to get there.” This short-term strategy works for him. He is comfortable with either a percentage of dollars or a specific amount in the distribution. Details in *how* dollars are to be spent suit him. (Trust and verify.)

Krista Osterweil would like to form an executive (organization) committee to decide how to interact with the Rowan TDA. We need some controls in place before we can effectively make use of the money.

Mark Lewis made a MOTION, “The Salisbury Tourism and Cultural Development Commission will seek a proposal from the Rowan Tourism Development Authority in the method that they

would choose to spend a \$55,000 marketing program. (STCDC could give RTDA \$11,000 a month for the next five months.)” Bill Burgin seconded the motion with all members voting AYE. (9-0) STCDC will look to hear from RTDA at our next meeting.

## **MARKETING ASSOCIATIONS**

James Meacham explained that there are three associations which STCDC could consider joining. They serve three distinguishing purposes.

Destination Marketing Association of North Carolina (DMANC)—The Rowan TDA is a member of this organization. This is a membership association made up of bureaus and TDAs (44). Membership fee is based off your annual budget so the Rowan CVB is about \$1250 a year. We could sync membership for \$2,250. Professional staff meets five times a year. Their primary focus is professional development, cooperative marketing, issues and advocacy and education development. They have a strong annual meeting and bring in good speakers. It is very affordable to belong to DMANC. They provide communications on list serves, newsletters, various directories and they are the “be-all-end-all” resource for anything TDA related across the state. James has served with them as president of the association, was treasurer for two years, served as marketing chair for a couple of years as well. Joining this group gets you in to The Travel and Tourism Coalition.

The Travel and Tourism Coalition would cost \$7,000 a year to join. They are the gatekeepers for all occupancy tax legislation across North Carolina. They also monitor meals-tax legislation across the state. James attended their meeting today in Raleigh. They are looking at a major broadening of the tax base to include the “low hanging fruit”—the travel industry.

Occupancy taxes related to OTC (online travel companies)—lawsuits are common. Make OTCs pay taxes on the full retail rate so we do not lose that chunk of revenue each year. Smith Anderson are the heavy hitters. (The Biltmore, the Bobcats, etc.)

NC Travel Industry Association is essentially the NC State Tourism Chamber of Commerce. This is only \$352 a year to join. They are watchdogs. They fix communities violating state statutes and occupancy tax.

NC Division of Tourism is charged with all NC state welcome centers and marketing all of NC.

After some discussion, Bill Burgin made a MOTION to join DMANC as the STCDC for the remainder of this fiscal year. Barbara Perry seconded the motion with all members voting AYE. (9-0)

## **STRATEGIC PLANNING**

We are charged to do it. Warren Miller will facilitate a strategic planning session (mission and vision for STCDC) for about a three-hour process Wednesday, March 3, from 9 a.m. until 1 p.m. at the Plaza second floor seminar room—located at 100 W. Innes Street. Randy Hemann said he would like to see someone in the tourism industry to work with the goals.

## **NEXT STEPS**

- The Commission would like to form an organizational committee consisting of the Chair, Vice Chair, and two other Board members. (Boris Bunich volunteered.) It must be determined how to stagger terms and create bylaws. This committee could do the research on whether the Commission travels to another community to observe their TDA.
- A Commission vice-chair will be appointed by City Council. Randy Hemann and Bill Burgin asked that they not be considered for vice chair.
- The Treasurer was contacted about a policy for nonpayment of the occupancy tax. Typically the City would get the attorney to contact the business and as a last resort send to a collection agency.

## Public Comment

Karen Windate of the Turn of the Century Bed and Breakfast had observed the meeting to see what direction this commission was headed. She may potentially work on a committee.

The next regular meeting will be March 24, 2010, at noon (lunch provided) in the Council Chamber. The consensus was updated; the fourth Wednesday of each month at noon will now be the standard meeting time of the STCDC. It was also suggested that the meetings travel from month to month to various hotels to get to know local establishments.

Respectfully submitted,

Diana Moghrabi